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Director of Central Intelligence	Top Secret	
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National Intelligence Daily

Wednesday 31 August 1983

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LEBANON Bulleton the Atlanta to Bulleton		
LEBANON: Deteriorating Situation in Beirut		
Widespread attacks yesterday by Druze and		
Lebanese Army and the Multinational Force sign	nal a major contest for	
control of West Beirut.		25 X 1
The militias reportedly operated at will thro	uahout West Beirut.	
Shells continued to land near US Marine position	ons south of the city.	
but no US casualties were reported. Rocket and		
US Embassy, according to press reports.		25X1
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According to US Embassy sources, the Druze b		
working in collusion with the Lebanese Army ag	ainst the Druze.	
		25 X 1
All of the annual constant that O and the		
All of the crossings along the Green Line se		
Beirut from Christian East Beirut are closed or		
fire. The French and British contingents of the N		
were caught in crossfires, and the French and It shelled. At least four French soldiers were killed		0574
Shelled. At least four French Soluters were killed	4.	25X1
		25 X 1
Comment: President Gemayel probably wil	l use the Army in an	
attempt to assert control in the capital. Without	a political	
accommodation with the Druze and Muslim gro	ups, however, the	
factional violence is likely to continue.		25 X 1
5		
Druze leader Walid Junblatt told the US Am		
Damascus the situation in Beirut has supersede		
between the Druze and the government. Given		
against Army units, Junblatt and his Muslim alli		051/4
increase their demands for concessions from G	emayer.	25X1
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ISRAEL: Begin Delaying Formal Resignation

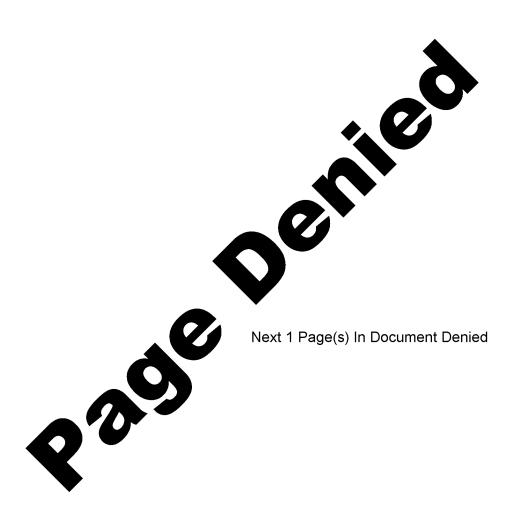
Total 20gm 20m, mg commercial grames	
Prime Minister Begin's decision to step down appears to be final, but he will delay submitting his formal letter of resignation to President Herzog for a few days.	25X1
Begin's coalition colleagues requested the delay yesterday to give them time to agree on a successor. The leaders of the National Religious Party and TAMI already have said publicly that their parties will remain with the Likud bloc in a new government.	25 X 1
Comment: There is no formal process for selecting the new Likud leader. The position probably will fall to the man picked by Herut—the largest party in the Likud—to succeed Begin as party leader. This will be done in informal discussions among senior Herut leaders, and Begin almost certainly will play a key role in the deliberations.	25X1
If Foreign Minister Shamir is chosen by Herut and is asked by Herzog to form a new government, Shamir is likely to be able to put together a new cabinet fairly quickly. As it now stands, the new government probably will resemble the outgoing one.	25X1
Shamir also will have to select a new foreign minister, although there is a remote possibility he would retain that portfolio in addition to the premiership. Israeli press reports speculate that former Defense Minister Weizman may rejoin Likud in that capacity. Weizman resigned from Begin's first government as a result of	
disagreements over West Bank policy.	25 X 1

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CUBA-SURINAME: Cooling of Relation	8		
Havana is concerned that improved Brasilia are decreasing its influence in S		maribo and	
Comment: Havana probably does not by overreacting, but it sees the Brazilian unwelcome competition. Havana's conductions	n presence in Suri	name as	
reflected in President Castro's speech I day, which did not include Suriname an	nong the "progres	sive'' Latin	٦
American countries and revolutionary g Although the Cubans remain interes			
influence in Suriname, they probably will time being. They apparently expect that	ll maintain a low p t Brazilian assista	rofile for the nce—	
compel Paramaribo to turn again to Ha	will be inadeq vana.	uate and will	

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USSR: Gorbachev's Position in the Hierarchy

Politburo member and Secretary Gorbachev is emerging as	
perhaps the most powerful leader in the party hierarchy after General Secretary Andropov.	25X1
On Monday the 52-year-old Gorbachev chaired a session in Moscow devoted to organizing the party election meetings taking place throughout the country this fall.	25X1
Earlier this month Gorbachev met with officials who have foreign policy responsibilities, and two weeks ago he presided over a meeting of party veterans at which Andropov spoke. He also greeted a Canadian parliamentary delegation. In late July he played a prominent role in the visit of Hungarian leader Kadar.	25X1
A Soviet diplomat claims Andropov would like Gorbachev to be acknowledged as the party's second in command. The diplomat suggested that Gorbachev's increased prominence came at the expense of Secretary Chernenko and hinted that Andropov favors Gorbachev as his successor.	25X1
Comment : Gorbachev's activities over the last two months indicate a greatly expanded role in the party beyond his earlier responsibility for overseeing the agricultural sector. The first solid indication of this came after the plenum in June, when Gorbachev presided over the installation of two high-level party officials.	25X1
Andropov appears to be using Chernenko's absence on vacation since late June to push Gorbachev as de facto second secretary. Gorbachev's latest appearance makes it clear that he is now the senior secretary responsible for cadres, assuming a function that Chernenko reportedly held during Brezhnev's last year in office.	25X1 25X1
The General Secretary evidently now feels strong enough to challenge Chernenko's position in the hierarchy. Although Andropov seems to be maneuvering Gorbachev into position as his eventual successor, newly appointed Secretary Romanov and other leaders	
could emerge to challenge Gorbachev.	25X1

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CHILE: Government Official Murdered

The murder yesterday of the commander of the Santiago Military District probably is part of the radical left's plan to use violence to undermine the government's dialogue with the moderate opposition. Movement of the Revolutionary Left terrorists reportedly have claimed credit for the killing. After a meeting of the military junta, Navy Commander Merino announced that the government would bring the full force of the law against those involved, continue its discussions with moderate opposition leaders, and provide greater security "to those who need it."

25X1

Comment: The terrorists are likely to persist in their efforts, but they probably will not manage to provoke in the short term the massive government crackdown they are seeking. The incident, however, will prompt much tighter security measures for opposition protests scheduled for early next month.

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PHILIPPINES: Run on the Banking System

Bank depositors in Manila yesterday continued the run on the banking system, which began the day after Benigno Aquino's assassination. The press reports that the Central Bank has extended its hours to provide emergency funds to the banks hit hardest by withdrawals, and the bank's deputy governor has made a nationwide television appearance to assure the public that the banking system is solvent.

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Comment: The run on the banks almost certainly is a reflection of public nervousness about stability and continued concern about President Marcos's health. The Central Bank's intervention indicates that a large volume of funds is being withdrawn. The bank is already short of liquid funds, and it will be hard pressed to cover the withdrawals. Marcos probably will have to assure the public he is in charge, possibly by making more television appearances.

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HONDURAS: Friction in the Ruling Party	
The resignation last week of Jose Azcona, the highly respected	
Minister of Communications, Public Works, and Transportation,	
marks an open split in President Suazo's ruling Liberal Party. A power struggle between future presidential hopefuls Azcona and Minister of	
the Presidency Carlos Flores also has led to Azcona's removal as chief of the Liberal Party. Seven legislative deputies loyal to Azcona	
reportedly may form a dissident faction in the National Assembly. According to the US Embassy, this would weaken the government's	
firm control of the legislature.	
Comment: The factionalism in the Liberal Party comes at a time	
when President Suazo is recovering from a heart attack, and the local press is speculating about instability in the government. Azcona's	
resignation is a blow to the prestige of the executive branch and to the effectiveness of a ministry that controls nearly half the national	
The effectiveness of a ministry that controls fleatly half the hallonal	
budget. For now, Flores appears to be in firm command as Suazo's principal political troubleshooter.	

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CANADA: Tories Win Two Byelections Brian Mulroney, leader of the opposition Progressive Conservative Party, won an overwhelming victory in a federal byelection on Monday. In winning his first elective office, Mulroney took 62 percent of the vote in the Nova Scotia constituency of Central Nova. Mulroney's Liberal opponent secured only 25 percent of the vote despite campaigning on his behalf by 11 members of Prime Minister Trudeau's cabinet. The Tories also captured a seat in British Columbia in a stronghold of the socialist New Democratic Party.	
Comment: The victories demonstrate the strength of Mulroney's	25X1
popularity and the widespread dissatisfaction with Trudeau's Liberals. The Tories hold a lead of 28 percentage points in the polls, and results on Monday should provide additional momentum for a general election now expected in late 1984. In Central Nova, Mulroney increased the Tory margin of victory by 14 percent over the national election of 1980, despite his refusal to discuss national issues. The 3,000-vote win in British Columbia contrasts with the New Democratic	
victory in 1980 by a margin of 5,500 votes.	25X1

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